



# Iowa Corporation Schedule H

## Computation of Federal Tax Refund/Deduction

### For Filing Status 2 or 3 only

Note: You must attach a copy of pages 1-4 of your consolidated Federal return.

TAX PERIOD: \_\_\_\_\_

If you need more space than provided below, you may copy this schedule.

	Company Name	T.I.N.	Profit (A)	Loss (B)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	SUBTOTAL (Use in computing Fed. refund/deduction.)			
44	Consolidating Adjustments and Eliminations.			
45	TOTAL (Must equal income per Federal return.)			
46	Separate company income/loss.			
47	Federal taxable income/loss (From line 43).			
48	Federal tax/refund as reported to the IRS.			
49	Amount allowed as an addition/reduction.			50%
50	FEDERAL REFUND/DEDUCTION Divide line 46 by line 47 and multiply by line 48 and 50%; enter on IA 1120:			

CORPORATE NAME: \_\_\_\_\_ TIN: \_\_\_\_\_

## Schedule H Instructions

This schedule must be used when the corporation files as part of a consolidated group for Federal purposes. Use extra pages if necessary to list all companies included in the consolidated Federal return. List in Column A the Federal taxable income after the net operating loss and special deductions or in Column B the Federal taxable loss for each company computed as if a separate Federal corporation income tax return was filed. Normally, this would be from the Federal 1120, line 30.

If there is a Federal net operating loss (NOL) carryforward included in the adjustments and eliminations column, report all income and losses before the NOL carryforward. Include the total Federal NOL on line 44, consolidating adjustments and eliminations.

The allowed Federal tax deduction is 50% of the Federal income taxes paid or accrued. The deduction should be computed using one of the following methods.

**Note:** Federal environmental tax paid for periods beginning prior to January 1, 1996, should be included in total Federal income taxes paid or accrued for purposes of using the following computations.

**ACCRUAL BASIS** taxpayers should determine the total tax shown on page 1 of Federal form 1120 and use the formula shown below.

**CASH BASIS** taxpayers should compute the sum of Federal taxes paid during the current tax period and Federal motor vehicle fuel tax credits applied against the tax liability for the current tax period, less any Federal refunds received during the current tax period using the formula shown below on each period producing payments or refunds.

$$\frac{\text{Separate Company Federal Taxable Income}}{\text{Sum of All Positive Income Producing Companies Included in the Consolidated Taxable Income Statements}} \times \text{Total Tax Reported on the Consolidated Federal Return} \times 50\% = \text{Federal Tax Deduction}$$

If your company files a consolidated Iowa return, the numerator in the above equation would be the sum of the incomes of the profit companies included in the consolidated Iowa return. This formula is referred to as “revenue producers formula.”

Complete lines 46 through 50 of Schedule H as follows:

Line 46: Show Federal taxable income of the profit company(s) reported on this Iowa return.

Line 47: Enter the total from line 43, Column A.

Line 48: Enter Federal tax from the Federal 1120.

Line 50: Divide line 46 by line 47 and multiply the result by line 48 and by 50%.

If the Federal consolidated return reports a net operating loss which is carried back, the Federal refund is computed substituting loss companies in place of taxable income companies in the above formula. This formula is known as the “loss producers formula.”

When carrying an Iowa net operating loss back to preceding years, the Federal tax refund, if any, is apportioned using the “loss producers formula” noted above to determine the Federal tax refund adjustment required on IA 1120, line 2, in the loss year.